



State of Wisconsin
2017 - 2018 LEGISLATURE

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**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 432**

November 2, 2017 - Offered by Representatives SUBECK, ANDERSON, BARCA, BERCEAU, BILLINGS, BOWEN, BROSTOFF, CONSIDINE, CROWLEY, DOYLE, FIELDS, GENRICH, GOYKE, HEBL, HESSELBEIN, HINTZ, KESSLER, KOLSTE, MASON, MEYERS, MILROY, OHNSTAD, POPE, RIEMER, SARGENT, SHANKLAND, SINICKI, SPREITZER, STUCK, C. TAYLOR, VRUWINK, WACHS, YOUNG, ZAMARRIPA and ZEPNICK.

1 **AN ACT to amend** 49.45 (23) (a) and 49.471 (4) (a) 4. b.; and **to create** 49.471 (1)
2 (cr) and 49.471 (4g) of the statutes; **relating to:** increasing reimbursement for
3 personal care services under the Medical Assistance program, Medicaid
4 expansion and eligibility for BadgerCare Plus and BadgerCare Plus Core, and
5 making an appropriation.

Analysis by the Legislative Reference Bureau

Generally, this substitute amendment implements the federal Medicaid expansion under the federal Patient Protection and Affordable Care Act and increases reimbursement rates under the Medical Assistance program for personal care services.

The substitute amendment changes the family income eligibility level to up to 133 percent of the federal poverty line for parents and caretaker relatives under BadgerCare Plus and for childless adults under BadgerCare Plus Core. BadgerCare Plus and BadgerCare Plus Core are programs under the state's Medical Assistance program, which provides health services to individuals who have limited financial resources. The federal Patient Protection and Affordable Care Act allows a state to receive an enhanced federal medical assistance percentage payment for providing benefits to certain individuals through a state's Medical Assistance program. The

substitute amendment requires the Department of Health Services to comply with all federal requirements and to request any amendment to the state Medical Assistance plan, waiver of Medicaid law, or other federal approval necessary to qualify for the highest available enhanced federal medical assistance percentage for parents and caretaker relatives and childless adults under the BadgerCare Plus and BadgerCare Plus Core programs. If DHS does not qualify for the enhanced federal medical assistance percentage or if the percentage is reduced, DHS is required to submit to the Joint Committee on Finance a fiscal analysis comparing the cost of covering parents and caretaker relatives and childless adults under the Medical Assistance program at up to 133 percent of the federal poverty line to the cost of limiting income eligibility to those adults to up to 100 percent of the federal poverty line. DHS may reduce income eligibility levels for those adults to up to 100 percent of the federal poverty line only if the Joint Committee on Finance approves.

Under current law, certain parents and caretaker relatives with incomes of not more than 100 percent of the federal poverty line, before a 5 percent income disregard is applied, are eligible for BadgerCare Plus benefits. Under current law, childless adults who 1) are under age 65; 2) have family incomes that do not exceed 100 percent of the federal poverty line, before a 5 percent income disregard is applied; and 3) are not otherwise eligible for Medical Assistance, including BadgerCare Plus, are eligible for benefits under BadgerCare Plus Core.

The substitute amendment also requires DHS to increase the reimbursement rates by 15 percent for personal care services provided under the Medical Assistance program in each fiscal year of the current fiscal biennium. To receive an increased reimbursement rate, a person who provides personal care services shall pay the reimbursement rate increase to employees or contractors who provide personal care services directly to a Medical Assistance recipient.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 49.45 (23) (a) of the statutes is amended to read:
2 49.45 **(23)** (a) The department shall request a waiver from the secretary of the
3 federal department of health and human services to permit the department to
4 conduct a demonstration project to provide health care coverage to adults who are
5 under the age of 65, who have family incomes not to exceed ~~100~~ 133 percent of the
6 poverty line ~~before application of the 5 percent income disregard under 42 CFR~~
7 ~~435.603 (d), except as provided in s. 49.471 (4g),~~ and who are not otherwise eligible

1 for medical assistance under this subchapter, the Badger Care health care program
2 under s. 49.665, or Medicare under 42 USC 1395 et seq.

3 **SECTION 2.** 49.471 (1) (cr) of the statutes is created to read:

4 49.471 (1) (cr) “Enhanced federal medical assistance percentage” means a
5 federal medical assistance percentage described under 42 USC 1396d (y) or (z).

6 **SECTION 3.** 49.471 (4) (a) 4. b. of the statutes is amended to read:

7 49.471 (4) (a) 4. b. ~~The Except as provided in sub. (4g), the individual’s family~~
8 ~~income does not exceed 100 133 percent of the poverty line before application of the~~
9 ~~5 percent income disregard under 42 CFR 435.603 (d).~~

10 **SECTION 4.** 49.471 (4g) of the statutes is created to read:

11 49.471 (4g) MEDICAID EXPANSION; FEDERAL MEDICAL ASSISTANCE PERCENTAGE. (a)
12 For services provided to individuals described under sub. (4) (a) 4. and s. 49.45 (23),
13 the department shall comply with all federal requirements to qualify for the highest
14 available enhanced federal medical assistance percentage. The department shall
15 submit any amendment to the state medical assistance plan, request for a waiver of
16 federal Medicaid law, or other approval request required by the federal government
17 to provide services to the individuals described under sub. (4) (a) 4. and s. 49.45 (23)
18 and qualify for the highest available enhanced federal medical assistance
19 percentage.

20 (b) If the department does not qualify for an enhanced federal medical
21 assistance percentage, or if the enhanced federal medical assistance percentage
22 obtained by the department is lower than printed in federal law as of July 1, 2013,
23 for individuals eligible under sub. (4) (a) 4. or s. 49.45 (23), the department shall
24 submit to the joint committee on finance a fiscal analysis comparing the cost to
25 maintain coverage for adults who are not pregnant and not elderly with family

1 incomes up to 133 percent of the poverty line to the cost of limiting eligibility to those
2 adults with family incomes up to 100 percent of the poverty line. The department
3 may reduce income eligibility for adults who are not pregnant and not elderly from
4 family incomes of up to 133 percent of the poverty line to family incomes of up to 100
5 percent of the poverty line only if this reduction in income eligibility levels is
6 approved by the joint committee on finance.

7 **SECTION 5. Nonstatutory provisions.**

8 (1) PERSONAL CARE RATE INCREASE. The department of health services shall
9 increase the reimbursement rates by 15 percent for personal care services provided
10 under the Medical Assistance program in each fiscal year of the 2017-19 fiscal
11 biennium. To receive an increased reimbursement rate under this subsection, a
12 person who provides personal care services shall pay the reimbursement rate
13 increase to employees or contractors who provide personal care services directly to
14 a Medical Assistance recipient.

15 **SECTION 6. Fiscal changes.**

16 (1) PERSONAL CARE RATE INCREASE. In the schedule under section 20.005 (3) of
17 the statutes for the appropriation to the department of health services under section
18 20.435 (4) (b) of the statutes, the dollar amount for fiscal year 2017-18 is increased
19 by \$13,262,515 to increase reimbursement rates for personal care services under the
20 Medical Assistance program under SECTION 5 (1) of this act. In the schedule under
21 section 20.005 (3) of the statutes for the appropriation to the department of health
22 services under section 20.435 (4) (b) of the statutes, the dollar amount for fiscal year
23 2018-19 is increased by \$28,318,166 to increase reimbursement rates for personal
24 care services under the Medical Assistance program under SECTION 5 (1) of this act.

